

April 23, 2019

Senator Julie A. Rosen, Chair  
Senate Finance Committee  
95 University Avenue W., Room 2113  
St. Paul, MN 55155

Dear Senator Rosen and Members of the Senate Finance Committee:

In advance of your committee hearing on SF 1093, I would like to share with you my concerns about the bill regarding metropolitan area transit.

I am concerned that SF 1093 does not provide adequate funding to allow the Metropolitan Council to invest in the regional transit system. In fact, the bill disregards the looming structural funding issue facing Metro Transit's regular route bus system while adding additional mandated Metro Mobility service without an accompanying appropriation.

Currently, the Metropolitan Council receives one General Fund appropriation for Metro Mobility, light rail operations and commuter rail. With Metro Mobility on a path to consume nearly our entire base appropriation within this biennium, no General Fund dollars will be available for any other transit service in the very near future. By not separating Metro Mobility service from the current transit funding approach as proposed by Governor Walz, SF 1093 will eventually allow Metro Mobility to consume our entire General Fund appropriation.

Allowing Metro Mobility to consume the Metropolitan Council's entire General Fund appropriation hurts more than just the transit services provided by the Council. In addition to Metro Mobility, the Council's General Fund appropriation is designated to be used for the state's 50 percent share of light operations and commuter rail operations. Once that occurs, these transit services will all begin to rely on the Motor Vehicles Sales Tax (MVST). Shifting these services to MVST will reduce available MVST dollars for not only Metro Transit's regular route bus system, but more broadly, and it will negatively impact the entire regional bus system – including the Suburban Transit Providers.

Adding to these budget pressures, SF 1093 increases the service area of Metro Mobility into Lakeville, Ramsey, Maple Plain, Forest Lake, and Columbus. The cost of this expansion is \$3.464 million in FY2020-2021 and \$3.755 million in FY2022-2023 yet our base appropriation is not amended to accommodate the additional service. This will further exacerbate the negative impact on bus service provided by Metro Transit and the Suburban Transit Providers.

As a reminder, Metro Mobility is a federally mandated ADA service that also has a legislatively established service footprint beyond ADA requirements.

Under the Americans with Disabilities Act and state law, Metro Mobility cannot refuse rides to qualified riders. While Metro Mobility has been rated as one of the most efficient services of its type in the nation, the service is still very expensive, with an average trip subsidy of nearly \$25 per ride. The Governor's budget separates out Metro Mobility from other transit services and creates a new General Fund appropriation specifically for Metro Mobility. This separation, along with an increase in the base General Fund appropriation for Metro Mobility going forward ensures that the program will have the funds it needs to continue this important mandated service, but not at the expense of the regular route bus system.

Additionally, I have some concerns regarding the policy provisions in SF 1093.

**Article 2, Sections 108-109** ends the state's commitment to fund 50 percent of operation expenses for future light rail transit lines and prohibits state funds from being used for the capital costs of a light rail project. The Metropolitan Council and our partners on projects have relied on state law as pending projects like the METRO Blue Line Extension and the Riverview Corridor were developed over the course of decades. Current state law provides that the state will pay for 50 percent of operating costs after federal money and fares are used. Eliminating this commitment jeopardizes future projects, and this has real impacts on the state's ability to attract federal funding for our transit system and for the mobility of our growing metropolitan region.

**Article 2, Sections 116 -117 and 126** requires the Council to enter into facilitated meetings with the Calhoun Isles Condominium Association (CICA) to discuss vibration impacts related to the Southwest light rail project, enter into a contract and pay for an engineering study to evaluate the susceptibility of the property to vibration and address mitigation measures, and pay \$250,000 from existing project funds to CICA for reimbursement of engineering and legal costs. We believe these provisions are unnecessary because the Council's commitments to CICA are contained in specific legislation passed in 2017 (Laws of Minnesota 2017, 1<sup>st</sup> Spec. Sess. Chapter 3, article 3, section 134), the project's Final Environmental Impact Statement, the Supplemental Environmental Assessment, and the Amended Record of Decision.

**Article 2, Sections 10-14** reallocates revenues from MnPASS lanes. Under the proposed changes in SF 1093, the Council would be last in line for revenues to use for expansion and improvement of bus transit services in the corridor. Changing the current distributions of MnPASS proceeds will result in lost revenues to the Council of \$297,000 in FY2019, increasing to an estimated \$478,000 in FY2023. MnPASS provides a critical transit advantage in our region and it is essential to our future regional growth that we prioritize opportunities to create this kind of effective and efficient transit solution.

I do appreciate the inclusion of the data sharing language found in **Article 2, Sections 3-4**. This is an important initiative that will give us a tool to help address some of the future financial pressure created by increased Metro Mobility demand.

In conclusion, I continue to support the Governor's proposal to provide a stable and reliable funding source for transit that supports long-term planning and allows for accelerated expansion of the entire system. By 2040, the metropolitan region is expected to grow by 700,000 people, add half a million jobs, and double the number of residents over the age of 65. To retain and attract young talent and adequately serve the region's residents in the coming years, we must provide an efficient and accessible transit system.

I am available to discuss these concerns with you and committee members at your convenience.

Regards,

A handwritten signature in black ink, reading "Nora Slawik". The signature is fluid and cursive, with the first name "Nora" and last name "Slawik" clearly distinguishable.

Nora Slawik  
Chair, Metropolitan Council